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UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Washington 25, D. C.

June 4, 1946

NEWSLETTER TOPICS

NEW PROCEDURE TO BE USED
FOR CONTRACT CONSTRUCTION

We have just received word from REA of a new procedure that will apply to line construction done under contract. Under this procedure, contractors doing line construction for us will furnish only the labor and will bid for our work on that basis. We will purchase all the material from those suppliers who can make the earliest deliveries and furnish it to the successful bidder.

In view of the present scarcity of materials, we believe that this new system is going to have several advantages over the old plan, under which the contractor furnished both labor and materials. Contractors usually did not know when they would be able to get materials so they charged prices high enough to cover their estimate of future price increases. We are going to be able to beat these prices, at least on some materials, by pooling orders with other REA cooperatives or by buying directly from the manufacturer or distributor, rather than through a contractor. This should mean some saving in construction costs.

The new procedure should also be more satisfactory with regard to speed of construction. There will be no more running out of materials in the middle of a job, because we will not let a contract until we are assured of delivery of all the materials needed to complete the work. That means that the contractor will be able to work continuously once he starts a line construction job and we will be able to tell a new consumer more accurately when his farm will be reached. In some areas, the start of work may be slightly delayed but this time will be made up when work does get under way. As a result, REA has reduced the maximum time required for completing a contract to 90 days.

The new system, of course, makes no change in our force account work -- construction done by our own crews. We have been buying our own materials for that type of work all along.

Furthermore, materials are still critically scarce and it will apparently be a long time before we can get all the materials we want as fast as we would like to have them. The new procedure will not change this, but it will help us make the best of a bad situation.

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PROGRESS REPORTED ON CARRIER
SYSTEM FOR RURAL TELEPHONES

Ever since last December, when it was announced that the carrier method of telephone communication was being tested on REA-financed power

lines in Arkansas, we have been receiving questions about this new equipment -- when it will be ready, how much it will cost, etc. The method is still so new that not all the details are known, but we have just received a report from REA that should answer some of your questions about carrier telephones.

In the first place, engineers of REA and the Bell Telephone System regard the Arkansas tests as quite encouraging, and telephone supply manufacturers are going ahead with their plans for quantity production of the equipment. But REA reports that it is going to be several months before carrier equipment will be produced on a commercial scale and much longer before enough equipment is available to meet the demands for service. When service does become available, there is no indication that it will be offered at extremely low rates, as sometimes reported. In fact, it appears that rates for carrier telephone service will be about the same as present rural rates.. The chief advantage of the new method is that it will make telephone service available in some farm areas that cannot get phones in any other way.

Tentative business arrangements for carrier telephone service are now being worked out. Under this proposed arrangement, REA and the REA-financed cooperatives will not engage directly in the telephone business. Each individual REA borrower, such as our cooperative, may enter into a contract with its local telephone company for joint use of the cooperative's power lines and submit this contract to REA for approval. In other words, the telephone company would operate the telephone system and would simply use our lines, paying us for that use. REA is now working on a standard form of contract that can be approved in such cases under the terms of the Rural Electrification Act. As soon as we know the details of the joint agreement which REA can approve, it will be up to our membership and the local telephone company to decide whether or not we want to enter into such a contract.

In the carrier system of telephone communication, speech is transmitted by means of a carrier wave of radio frequency, which travels on the power lines along with the power supply. Transmitting and receiving equipment similar to a small radio is installed at the switchboard and at the subscriber's end of the line. Otherwise, telephone equipment used is of the conventional type.

Another method of using rural power systems in connection with telephone communication is being tested on REA-financed lines in Minnesota and South Dakota. This is referred to as joint use of poles and it involves stringing telephone wires on power line poles along with the electric lines. This also requires new equipment because our spans are longer than the telephone companies ordinarily use. REA believes that this type of service can probably be made available under a business arrangement similar to that proposed for carrier phone service.

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POULTRY CULLING ADVISED
TO AID FAMINE CAMPAIGN

In connection with the nation-wide campaign for relief of world famine, the Department of Agriculture is urging the nation's poultrymen to

cull non-productive birds more intensively to reduce production costs of both eggs and meat chickens.

The higher ceiling prices placed in effect on corn, wheat, and other grains and proteins to make more grain available for direct human consumption do not permit feeding "boarders" in the average farm poultry flock, the Department pointed out.

The average hen normally consumes four to five pounds of grain a month. If 55 million non-producing or low-producing birds from farm laying flocks in the United States are culled, the grain that could be saved might amount to as much as 250 million pounds -- a big contribution to food supplies for humans.

From the farmer's viewpoint, careful culling of the laying flock now, to rid it of non-producers or low-producers, will lower his cost of egg production.

DON'T FORGET YOUR ELECTRIC SYSTEM IN FARM SAFETY WEEK

Farm Safety Week, coming up July 21 to 27, is a timely reminder to farmers that electricity can cause plenty of damage if it escapes from the wires in your house or on your farm. Periodic inspection of your wiring is important. Wind and weather may wear off insulation or cause corrosion to form in connections. The smart farmer will play safe and inspect his wiring during Farm Safety Week.

Electricity will work for you 24 hours a day with perfect safety if you take a few simple precautions. Use fuses of the proper size. Don't overload your extension cords. Remember that metal sockets are dangerous around farm buildings. Don't stand on or touch a wet surface while using electrical equipment. Be sure to keep high metal objects, such as well casings or hay loaders, away from the power lines on your farm. Don't try to fix a broken power line; notify this office.

A Minnesota farmer's recent loss of five dairy cows could have been prevented by inspection of the new wiring job in his dairy barn. Current leaked from the motor of his milking machine and energized the suction lines and the steel stanchions to which the lines were attached. The cows were electrocuted. This could not have happened if his motor had been grounded or if there had been rubber hose couplings in the suction lines between the pump and the stanchions.

Periodic inspection of your wiring will make your farm a safe place. "Farm Safety Week" is the time to make sure that your wiring and electrical appliances are in good condition. If you are not sure of your present wiring and appliance installations, have them inspected. One serious shock, accident or fire can easily cost more than an entirely new wiring and installation job.

REA SHORTS

(The following short items are suggested for use as space fillers where needed)

All utility companies operating in the United States electrified fewer than 750,000 farms between 1885 and 1935. REA borrowers alone provided electricity for more than 1,000,000 farmers in the 11 years between 1935 and 1946.

"Since the one-crop system of farming has been the most destructive ally of erosion in many sections of the country, I hope the people engaged in soil conservation work will learn more about the possibilities in use of electrical equipment to aid in diversification." -- Secretary of Agriculture Clinton P. Anderson.

Up to March 1, 1946, more than 92 percent of all REA borrowers were cooperatives, which had qualified for more than 95 percent of all loan funds allocated by REA.

"Electricity is making rural life healthier by providing better year-round diets through food preservation and more sanitary handling of food products on the farm." -- REA Administrator Claude R. Wickard.

Although less than 8 percent of the \$474,000,000 advanced by REA to borrowers was due for repayment up to March 1, 1946, nearly 12 percent had been repaid. Almost \$20,000,000 had been repaid in advance of due dates by 658 borrowers.

